{deleted text} shows text that was in SB0234 but was deleted in SB0234S01.

inserted text shows text that was not in SB0234 but was inserted into SB0234S01.

DISCLAIMER: This document is provided to assist you in your comparison of the two bills. Sometimes this automated comparison will NOT be completely accurate. Therefore, you need to read the actual bills. This automatically generated document could contain inaccuracies caused by: limitations of the compare program; bad input data; or other causes.

ELOCAL Senator Ralph Okerlund proposes the following substitute bill:

GOVERNMENT DEBT COLLECTION AMENDMENTS

2020 GENERAL SESSION STATE OF UTAH

Chief Sponsor: Ralph Okerlund

H	louse	Sponsor:			

LONG TITLE

General Description:

This bill addresses the collection of {local } government entities' delinquent accounts receivable by the {Office} Division of {State Debt Collection} Finance.

Highlighted Provisions:

This bill:

- <u>expands accounts receivable subject to collection efforts of the Division of Finance</u> to include an amount due as a result of a tax;
- ► authorizes {the Office of State Debt Collection} a political subdivision to enter into an agreement with a local agency {representing participating} for submitting accounts receivable for collection by the Division of Finance;
- <u>provides requirements for a political {subdivisions to collect} subdivision that enters</u> <u>into an agreement with a local agency for the collection of accounts receivable { of } } </u>

participating political subdivisions through administrative offsets;

- provides for the contents of an agreement;
- authorizes a local agency to add a collection fee to accounts receivable to be collected by the Office of State Debt Collection}; and
 - makes technical changes.

Money Appropriated in this Bill:

None

Other Special Clauses:

None

Utah Code Sections Affected:

AMENDS:

Be it enacted by the Legislature of the state of Utah:

Section 1. Section **63A-3-301** is amended to read:

63A-3-301. Definitions.

As used in this part:

- (1) "Account receivable" or "receivable" means any amount due the state or any other governmental entity within the state as a result of a judgment, citation, <u>tax</u>, or administrative order, or for which materials or services have been provided but for which payment has not been received by the servicing unit.
 - (2) "Debtor" means a party that owes, or is alleged to owe, an account receivable.
 - $\frac{(3)}{(3)}$ "Division" means the Division of Finance, created in Section 63A-3-101.
- (4) "Local agency" means a nonprofit entity organized by participating political subdivisions to act on behalf of the participating political subdivisions with respect to the

- office's efforts to collect accounts receivable of participating political subdivisions through administrative offsets.
- [(3)] (5) "Mail" means United States Postal Service first class mail to the intended recipient's last known address.
- (6) "Participating political subdivision" means a political subdivision that has entered into an agreement with a local agency authorizing the local agency to act on behalf of the political subdivision with respect to the office's efforts to collect accounts receivable of the political subdivision through administrative offsets.
- (7) "Political subdivision" means the same as that term is defined in Section 63G-7-102.

Section 2. Section **63A-3-302** is amended to read:

- 63A-3-302. Unpaid accounts receivable {due the state} -- Political subdivision agreement with local agency.
- (1) If any account receivable at any point has been unpaid for 90 days or more, any agency or other authority of the state, or any political subdivision[, as defined in Section 63G-7-102, of the state] responsible for collection of the account may proceed under this part to collect the delinquent amount.
- (2) (a) A political subdivision may enter into an agreement with a local agency under which the local agency, for a reasonable fee that the political subdivision and local agency agree upon, prepares and submits the political subdivision's accounts receivable for collection as provided in this part.
- (b) Notwithstanding an agreement under Subsection (2)(a), a participating political subdivision shall:
- (i) establish an agreement with the division for submitting delinquent accounts receivable under this part; and
- (ii) with respect to the accounts receivable that the participating political subdivision submits through a local agency for collection under this part:
- (A) receive and respond to an administrative hearing requested under Section 63A-3-305; and
 - (B) administer an adjudicative proceeding required under Section 63A-3-306. Section 3. Section 63A-3-307 is amended to read:

63A-3-307. Liens.

- (1) The following shall constitute a lien in the amount of the receivable plus interest, penalties, and collection costs allowed by law against any state income tax overpayment or refund due or to become due the debtor:
- (a) a judgment, citation, or administrative order issued by any agency, court, or other authority of the state, or by any political subdivision[, as defined in Section 63G-7-102]; or
- (b) an amount, that has at any point been unpaid for 90 days or more, due the state or other governmental entity for which materials or services have been provided but for which payment has not been received by the servicing unit.
- (2) The lien created by this section shall, for the purposes of Section 59-10-529 only, be considered a judgment.

Section 4. Section 63A-3-310 is amended to read:

63A-3-310. Rules for implementing part.

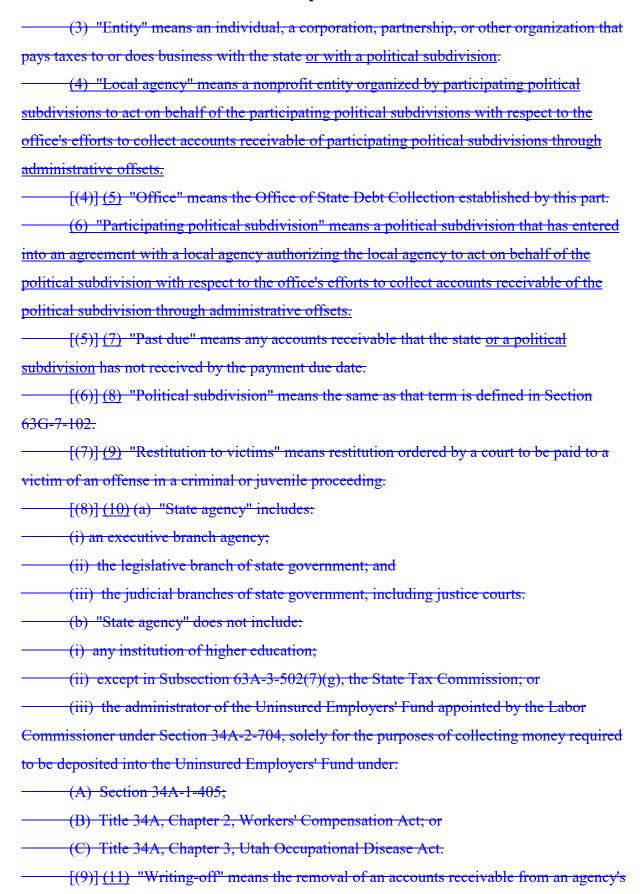
The [Division of Finance] division may adopt rules for the implementation of this part, including rules for the conduct of hearings, injured spouse claims, and appointment of hearing examiners.

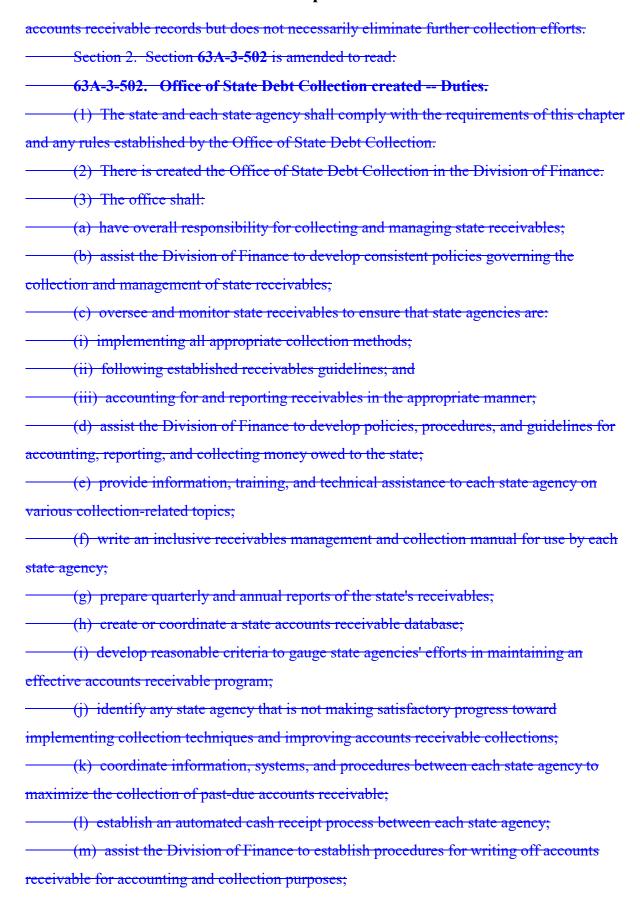
Section 1. Section 63A-3-501 is amended to read:

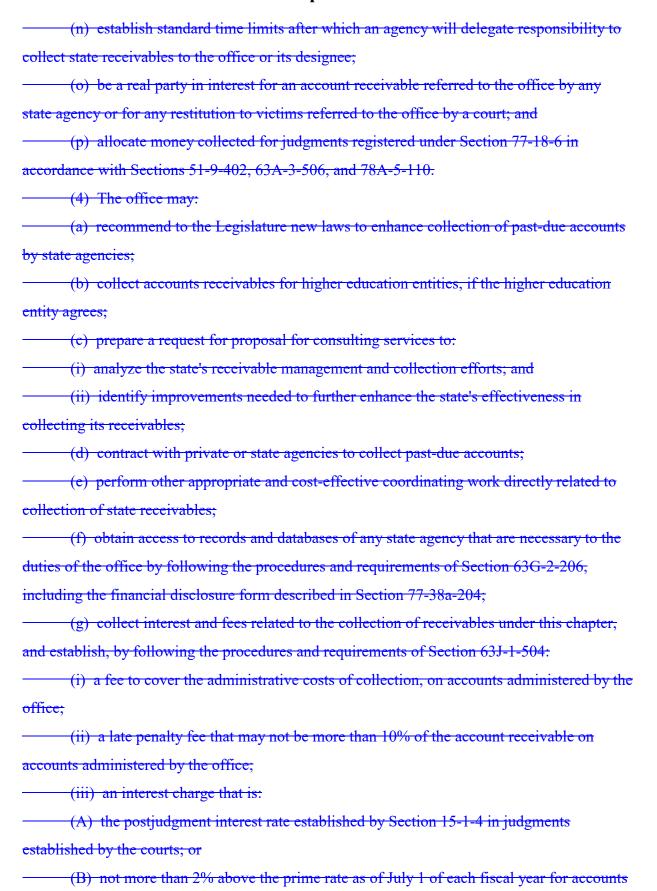
63A-3-501. Definitions.

As used in this part:

- (1) (a) "Accounts receivable" or "receivables" means any amount due to a state agency or political subdivision from an entity for which payment has not been received by the state agency that is servicing the debt.
- (b) "Accounts receivable" includes unpaid fees, licenses, taxes, loans, overpayments, fines, forfeitures, surcharges, costs, contracts, interest, penalties, restitution to victims, third-party claims, sale of goods, sale of services, claims, and damages.
 - (2) "Administrative offset" means:
- (a) a reduction of an individual's tax refund or other payments due to the individual to reduce or eliminate accounts receivable that the individual owes to a state agency or political subdivision; and
- (b) a reduction of an entity's tax refund or other payments due to the entity to reduce or eliminate accounts receivable that the entity owes to a state agency or political subdivision.







receivable for which no court judgment has been entered; and (iv) fees to collect accounts receivable for higher education; (h) collect reasonable attorney fees and reasonable costs of collection that are related to the collection of receivables under this chapter; (i) make rules that allow accounts receivable to be collected over a reasonable period of time and under certain conditions with credit cards; (j) file a satisfaction of judgment in the court by following the procedures and requirements of the Utah Rules of Civil Procedure; (k) ensure that judgments for which the office is the judgment creditor are renewed, as necessary; (1) notwithstanding Section 63G-2-206, share records obtained under Subsection (4)(f) with private sector vendors under contract with the state to assist state agencies in collecting debts owed to the state agencies without changing the classification of any private, controlled, or protected record into a public record; (m) enter into written agreements with other governmental agencies to obtain information for the purpose of collecting state accounts receivable and restitution for victims; and (n) (i) collect accounts receivable for a political subdivision of the state, if the political subdivision enters into an agreement or contract with the office under Title 11, Chapter 13, Interlocal Cooperation Act, for the office to collect the political subdivision's accounts receivable[.]; and (ii) collect accounts receivable for participating political subdivisions if the office and a local agency enter an agreement that: (A) requires the local agency to compile and consolidate accounts receivable of participating political subdivisions in a format that is consistent with the office's requirements for administrative offsets; (B) recognizes the local agency as an intermediary on behalf of participating political subdivisions to interact with the office in the office's efforts under this part to collect participating political subdivisions' accounts receivable through administrative offsets; (C) may provide for the office to provide to participating political subdivisions whatever assistance the office considers appropriate relating to administrative offsets; and

